
Combinations Of Network Elements Building The Path To Local Competition

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June 4, 1998



CC Docket Nos. 96-98,
97-137, 97-208 / 97-231

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DEC - 4 1998

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Three Overriding Criteria Needed For Local Competition To Flourish

- **Rapid, Ubiquitous Coverage**
- **Clear Incentive for Market Entry**
- **Innovative Products and Services**

Combinations Meet All Of These Criteria

Criteria For Competition

- Rapid, Ubiquitous Coverage
- Market Entry Incentive
- Innovative Products & Services

Combinations Deliver

- Fuels aggressive deployment of local service
- Allows for service delivery to locations where facilities will take years to build out
- First step to facilities-based competition
- Creates new market opportunity to compete for access
- Eliminates unnecessary duplication of ILEC network
- Frees capital for efficient investment in Facilities
- Infuses market with unique products that deliver savings

FROM NCI
MON 6-1-98 16:49/ST. 16:48/NO. 4261300097 P 4

Critical Elements Needed For Combinations To Be Successful

- **Financial Incentives for Investment**
 - TELRIC pricing for all UNEs and NRCs
 - No “glue” charges
- **Standardized and Scalable OSS**
- **National Performance Standards, Penalties and Enforcement**

Where The Right Conditions Exist, MCI Will Leverage Combinations For Market Entry

- **Rapidly Enter Local Market on Broad Scale**
 - Use combinations as path to fully competitive facilities-based local market
- **Use MCI WorldCom Merger to Expand Local Presence**
 - Reach 42M residential customers
 - Reach 70% of businesses
- **Deliver consumers imaginative products and services**